

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS AND BENEFITS

The meeting was called to order by REPRESENTATIVE VERNON WILLIAMS at  
Chairperson

9:00 a.m. Wednesday, February 25, 1987 in room 527-S of the Capitol.  
a.m./p.m. on

All members were present except: Representative Duncan  
-excused

Committee staff present:

Richard Ryan  
Alan Conroy  
Gordon Self  
Rosalie Black

Conferees appearing before the committee: See attached list. (Attachment 1)

The meeting was called to order by Representative Williams, Chairman, to hear HB 2231 and HB 2233.

HOUSE BILL 2231 - Hearing

Kay Coles, Kansas NEA, urged the Committee to support HB 2231 which lowers KPERS early retirement age from 60 to 55. She added that HB 2231 provides a chance for all to retire and makes a distinction between those who have served for 30 years and those who have served for a lesser time. Attachment 2.

Basil Covey, Kansas Retired Teachers Association supported the concept of HB 2231 that provides a .4 of 1% for retirees with 30 years of service. Attachment 3.

Marshall Crowther, Executive Secretary, KPERS, noted HB 2231 is applicable to all KPERS members and pointed out the significant policy consideration of permitting retirement before age 60.

HOUSE BILL 2233 - Hearing

A letter from Dennis M. Shockley, representing the City of Kansas City, Kansas, was entered into permanent committee records supporting HB 2233 which increases KPERS allowance for prior service from 1% to 1.4%. Attachment 4.

Kay Coles, Kansas NEA and Basil Covey, Kansas Retired Teachers Association testified in support of HB 2233 indicating their Associations have urged the committee before to examine ways in which the multiplier

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS AND BENEFITS  
room 527-S, Statehouse, at 9:00 a.m. a.m./p.m. on February 25, 1987

HOUSE BILL 2233 - Hearing (continued)

for prior service could be increased. Both favored increasing the lump sum death benefit. Attachments 5 and 6.

HOUSE BILL 2354 - Action

Marshall Crowther, Executive Secretary, KPERS, indicated HB 2354 allows the surviving spouse of a member with 35 or more years of credited service who was eligible for retirement at the time of death to elect benefits under Option A or an option selected by the member prior to death.

Representative Ott moved to report House Bill 2354 favorable for passage; seconded by Representative Sand. The motion carried.

HOUSE BILL 2250 - Action

Representative Laird moved to report HB 2250 favorable for passage which would allow the Pooled Money Investment Board to transact repurchase agreements direct with national primary dealers; seconded by Representative Wilbert. The motion carried.

Minutes were approved for the meeting of February 17, 1987.

The meeting adjourned at 9:45 a.m.

*Rep. VanWallendael*

Please PRINT Name, Address, the organization you represent, and the Number of the Bill in which you are interested. Thank you.

2-25-87

NAME	ADDRESS	ORGANIZATION	BILL NO.
Nancy Echub	Topeka	SRS	2231/2233
Charles D. Hamm			" "
Marion Kenneth	Topeka		" "
Mr. Boush	"	DHR	" "
James A. Jockel	Wichita	KSTVA	" "
Joseph C. Thibodeau	Lawrence	KSFPA	" "
Ed Larson	Topeka	League of Conservation	
Ruth Wilkins	Topeka	AAHP	
Don Hawkes	Topeka		2231
Harold Pitts	Topeka	TARTA	
Jim Cuple	Wichita	WFT	2231/2233
Marshall Crowther	Lawrence	KPEKS	
Jack Hays	Topeka	KPEKS	
Jay Collins	Topeka	KANSAS-NEA	2231/2233

Rep. Vandenberg

Wednesday, February 25, 1987

HB 2231 - Lowers KPERS early retirement age from 60 to 55.

- ✓ Kay Coles, Kansas NEA
- ✓ Basil Covey, Kansas Retired Teachers Association
  
- ✓ Marshall Crowther, Executive Secretary, KPERS

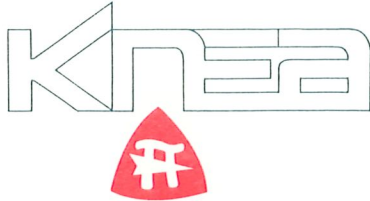
HB 2233 - Increases KPERS allowance for prior service from 1% to 1.4%.

*not appear*  
Charles Dodson, KAPE

- ✓ Kay Coles, Kansas NEA
- ✓ Basil Covey, Kansas Retired Teachers Association
  
- ✓ ~~Marshall Crowther, Executive Secretary, KPERS~~

ATTACHMENT 1

2-25-87



Kay Coles testimony before the  
House Pensions, Investments and Benefits Committee  
February 25, 1987

Thank you, Mr. Chairman. Members of the Committee, my name is Kay Coles and I am here today representing the 20,000 members of Kansas-NEA. I appreciate the opportunity to rise in support of HB 2231.

As you know, Kansas-NEA strongly supports early retirement for KPERS members. We believe any school employee who wishes to retire early should have the opportunity to do so.

HB 2231 provides that opportunity. Teachers who have reached age 55 can choose to retire and enjoy their later years under this bill. The actuarial reduction contained in HB 2231 provides a chance for all to retire and makes a distinction between those who have served for 30 years and those who have served for a lesser time. We believe that distinction is important and rewards those who have made a commitment to provide service to our schools.

We urge you to give careful consideration to HB 2231 and to all legislation that provides early retirement for school employees.

Thank you.

ATTACHMENT 2

2-25-87



# Kansas Retired Teachers Association

## Together We Can



1986-1987

### ELECTIVE OFFICERS

- President**  
Lucy E. Clark  
425 Morningside Lane  
Newton, Ks. 67114  
Phone 316-283-2421
- President Elect**  
Mr. Jimmie Nickel  
965 Mentlick Dr.  
Colby, Ks. 67701  
Phone 913-462-2293
- Vice President**  
Ruth M. Lyon  
1040 No. 11th  
Independence, Ks. 67301  
Phone 316-331-2484
- Secretary**  
Miss Esther Griswold  
229 East 6th  
Hutchinson, Ks. 67501  
Phone 316-662-3608
- Treasurer**  
Mr. Fred Jarvis  
1122 N. Cedar  
Abilene, Ks. 67410  
Phone 913-263-1533
- Assistant Treasurer**  
Mrs. Nadine Ramey  
1216 N. Campbell  
Abilene, Ks. 67410  
Phone 913 263-3542
- Chairman of Editing & Publishing Committee**  
Mrs. Elsie Klemp  
608 E. Price  
Garden City, Ks. 67846  
Phone 316-275-5322
- Legislative Chairman**  
Basil Covey  
3119 W. 31st. Ct.  
Topeka, Ks. 66614  
Phone 913-272-5914
- Past President**  
Morris J. Thompson  
412 E. 13th  
Hutchinson, Ks. 67501  
Phone 316-662-3002
- District 1**  
Mrs. Wilda Novotny  
2310 Maple Drive  
Belleville, Ks. 66935  
Phone 913-527-2964
- District 2**  
Mr. John McCoy  
1150 Meadowbrook Lane  
Manhattan, Ks. 66502  
Phone 913-539-6343
- District 3**  
Mr. Willis Jordan  
933 Maple  
Ottawa, Ks. 66087  
Phone 913-242-6130

February 25, 1987

To Members of the Pensions, Investments and Benefits Committee:

My name is Basil Covey and I represent the Kansas Retired Teachers Association.

We support HB 2231 that lowers early retirement from age 60 to 55.

— This bill improves the retiree's penalty over that stated in HB 2031 in an earlier hearing. HB 2231 provides a .4 of 1% for retirees with 30 or more years of service.

Early retirement serves those teachers suffering from burn-out or those planning to retire early for other opportunities.

Early retirement serves the school districts having to reduce their staff due to lack of finances without making layoffs. Vacancies otherwise may be filled by new young teachers.

We urge your support of HB 2231.

Sincerely,

*Basil Covey*  
Basil Covey  
Chairman, KRTA  
Legislative Committee

### DISTRICT DIRECTORS

- District 4**  
Russel Lupton  
2008 Hart  
Dodge City, Ks. 67801  
Phone 316-227-3335
- District 5**  
Mrs. Eunice E. Schnitzer  
1711 N. 4th, Apt. 513  
Arkansas City, Ks. 67005  
Phone 316-442-2685
- District 6**  
Margaret Hollenshead  
504 S. Central  
Chanute, Ks. 66720  
Phone 316-431-1135

### APPOINTIVE OFFICERS

- Historian**  
Mrs. Alma Gall  
2206 Sixth Ave.  
Dodge City, Ks. 67801  
Phone 316-227-7544
- Community Participation Chairman**  
Dr. Ralph Ruhlén  
P.O. Box 269  
Baldwin, Ks. 66006  
Phone 913-594-3413
- Necrology Chairman**  
Mrs. Theima Childers  
1209 S. Evergreen  
Chanute, Ks. 66720  
Phone 316-431-3882
- Informative and Protective Services**  
Mrs. Lois Marshall  
912 Judson Street  
Ft. Scott, Ks. 66701  
Phone 316-223-2157
- Retirement Planning Chairman**  
Mr. Milton Senti  
703 Stout  
Pratt, Ks. 67124  
Phone 316-672-6133
- Membership Chairman**  
Mrs. Ann Butler  
524 N. Main  
Holsington, Ks. 67544  
Phone 316-653-2922
- NRTA Coordinator**  
Dr. George Goebel  
711 Crest Dr.  
Topeka, Ks. 66606  
Phone 913-272-3418
- Corresponding Secretary**  
Mrs. Pauline Meador  
203 SW 12th  
Newton, Ks. 67114  
Phone 316-283-8491
- Parliamentarian**  
Mr. Harold Lowe  
4801 W. 66th Terrace  
Shawnee Mission, Ks. 66208  
Phone 913-432-0886

ATTACHMENT 3

2-25-87

*from: Dennis M. Shockley*

**OBJECTIVE #10:**

Support legislation to improve the Kansas Public Employees Retirement System (KPERS).

**OVERVIEW:**

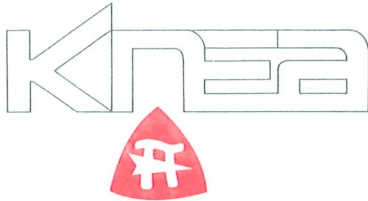
According to Compensation '85, developed by the International City Manager's Association, the state of Kansas ranks 37th out of 45 states in percent benefit for participants in defined retirement plans. The average participating service benefit in Kansas is 1.4% compared to a 1.7% average for all state systems. The League of Kansas Municipalities supports a modest increase to 1.5%. Kansas is one of only ten state retirement systems that requires an age of 65 to receive full benefits. Only three states have higher early retirement age requirements. In 1987, Kansas will be one of only five states to have a larger percentage for employee contributions than employer contributions. The average number of years to vest in all state retirement systems is 7.46; in Kansas it is 10. Kansas is one of 18 states that requires a 5-year average of an employee's highest salary to compute a basic benefit formula. Most require a 3-year average. With a low benefit return of 1.4% coupled with a 5-year salary average, Kansas has one of the worst benefit formulas.

**COMMENTS:**

Have bill introduced.

Work closely with League and other cities.

ATTACHMENT 4  
2-25-87 *Attachment 3*



Kay Coles testimony before the  
House Pensions, Investments and Benefits Committee  
February 25, 1987

Thank you, Mr. Chairman. Members of the Committee, my name is Kay Coles and I am here today representing the 20,000 members of Kansas-NEA.

Kansas-NEA rises in support of HB 2233. We have urged the committee before to examine ways in which the multiplier for prior service could be increased. HB 2233 achieves that goal, raising it from 1% to 1.4%.

In addition, this legislation increases the lump sum death benefit, a move we support as a positive one.

We urge you to report HB 2233 favorably for passage. I would be glad to answer any questions.



# Kansas Retired Teachers Association

## Together We Can

1986-1987



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Mr. Willis Jordan  
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Phone 913-242-6130

February 25, 1987

To Members of the Pensions, Investments and Benefits Committee:

My name is Basil Covey and I represent the Kansas Retired Teachers Association.

We support HB 2233 that relates to retirement benefits, prior service and a lump-sum death benefit.

Probably the most misunderstood area in KPERS rules and regulations stated in laws passed by the legislature is the area of prior service and the method of calculating a retiree's benefits. Due to different retirement dates and different percentage used, there is a vast area of cases that is explained only by individual recalculation. This bill provides for that service.

HB 2233 provides for an increase in lump-sum death benefits to \$3000. This certainly is in the interest of the surviving spouse.

As the cost of living increases also does the cost of dying.

We urge your support of HB 2233.

Sincerely,

*Basil Covey*  
Basil Covey  
Chairman, KRTA  
Legislative Committee

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